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Nanette S. Edwards Chief Counsel and Director of Legal Services

July 13, 2011

VIA ELECTRONIC FILING

Jocelyn Boyd, Esquire Chief Clerk/Administrator Public Service Commission of South Carolina 101 Executive Center Dr., Suite 100 Columbia, SC 29210

Re:

Application of Utilities Services of South Carolina, Incorporated ("USSC") for Adjustment of Rates and Charges and Modifications to Certain Terms and Conditions for the Provision of Water and Sewer Service - DOCKET NO. 2007-286-WS

Dear Ms. Boyd,

The purpose of this letter is to respond to the information that Utilities Services of South Carolina, Inc. provided to the Public Service Commission of South Carolina ("Commission") on July 5, 2011.

ORS makes the following observations regarding the information provided:

- 1. Exhibit A and Exhibit B: Because these amounts encompass more than the test year of 2006, a determination as to the accuracy or consistency with those amounts that ORS relied upon in preparing its testimony and exhibits in this matter cannot be made.
- 2. Exhibit C: ORS is still reviewing the information provided in Exhibit C and will supplement this response.

We are also providing a copy of the correspondence we recently received from Ms. Leslie Hendrix wherein Ms. Hendrix questions certain information provided by USSC.

Sincerely,

Nanette S. Edwards

cc: John M.S. Hoefer, Esquire Benjamin P. Mustian, Esquire

Namel S. Echands

From: leslieahendrix@qmail.com

Sent: Tue, 12 Jul 2011 5:51:22 PM America/New_York

To: <a href="mailto:ccampbe@regstaff.sc.gov,dhipp@regstaff.sc.gov,wmorgan@regstaff.sc.gov,wmorgan@regstaff.sc.gov,wmorgan@regstaff.sc.gov,wmorgan@regstaff.sc.gov,wmorgan@regstaff.sc.gov
Subject: costs associated with Dutchmans Shores in the rate increase request

Good Afternoon Dawn, Chad, and Willie,

I hope you are surviving the heat and enjoying some of the summer.

I see that the additional exhibits requested by the PSC (docket 2007-286-WS rate increase denial on remand by the SC Supreme Court) have been posted to the DMS. I have a few concerns over the expenditures allocated to the Dutchman Shores system and feel these require investigation. How can this be brought to the attention of the PSC as they make their final decision on our rate increase?

- 1. In the commission directive http://dms.psc.sc.gov/pdf/matters/C089FC97-BC02-8898-7CE5AD56B4185867.pdf, the first two bullets ask USSC to provide certain items covering January 1, 2005 December 31, 2006, which is a two year period. Did USSC provide capital improvements and on-going operations projects for a two year period, or the (I believe) intended 1 year period from January 1, 2006 through December 31, 2006?
- 2. USSC claims a \$36,611 expenditure for "Wells and Springs" within Dutchman Shores where USSC writes they "developed water sources in order to meet customer demand"? All water provided to Dutchman Shores' residents is provided by the City of Columbia. Additionally, there are "wells and springs" expenditures listed for nearly every water system, but many of those are distribution only.
- 3. What is the \$14,098 expenditure for "Trans & Distr Mains" where USSC writes "labor and materials associated with making repairs to water mains to ensure adequate pressure to the customer" and how is this different from the \$1756 allocated for "Service Lines replaced service lines that did not provide adequate pipe integrity in order to maintain quality service to customers"? Neighbors, do you know of any project with our water system between Jan 1, 2006 and Dec 1, 2006 that would have cost around \$15,000? I do remember remember any such project.
- 4. USSC claims \$(254) for lift stations? We do not have sewer (by USSC) in Dutchman Shores and how would there be a credit rather than an expenditure for this?
- 5. The \$2774 expenditure for "hydrants" requires explanation. Please see the attached pictures of the two USSC owned hydrants within our neighborhood. It is evident the \$2774 was not invested in these hydrants. There is a red (newer) looking fire hydrant located closer to the second entrance, but I am under the impression this hydrant belongs to the City of Columbia. And it wouldn't make sense for USSC to spend \$2774 on a flushing point for our water system in the form of a fire rated fire hydrant..

Thanks for your help, Leslie Hendrix





